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SUBJECT: NDP PICKS UP LIBERAL SEAT IN ONTARIO BY-ELECTIONS

Sensitive But Unclassified - protect accordingly.

¶1. (SBU) SUMMARY: Ontario's major political parties split three Toronto-area by-elections on February 8. The ruling Liberal Party, held onto one seat, but lost one to the New Democratic Party (NDP). The Conservatives held onto their seat. Though the Liberals have a large majority in the Ontario Legislature, their loss of another riding to the NDP should energize both opposition parties in the run-up to the October 10 general election. END SUMMARY.

¶2. (SBU) In three February 8 Toronto-area provincial by-elections, Ontario Premier Dalton McGuinty's Liberal Party kept one seat but lost another to the NDP, while the Conservatives held their seat. Of the 103 seats in the Ontario Legislature, the Liberals will now have 69, the Conservatives 24 and the NDP 10. The Liberals have now lost 8 out 10 by-elections since they took power in 2003.

¶3. (SBU) The NDP win was in York South-Weston, one of the poorest ridings in Ontario, with a 7.9% unemployment rate. The winner, NDP businessman Paul Ferreira, a first-time political campaigner, faced political rookies running for the Liberals and the Conservatives. Ferreira campaigned on the NDP's plan to raise the provincial minimum wage from C\$8 to C\$10 an hour. The Liberals support an increase in the minimum wage, but oppose an immediate hike. Ferreira also campaigned against the Liberal-led legislature's decision to vote itself a 25% pay raise. Ferreira won 43% of the vote to the Liberal's 41%, winning by just 358 votes.

¶4. (SBU) The other two seats remained with the party that won them in the 2003 general election. The Liberals held onto their seat in Markham, where Liberal businessman and first-time campaigner Michael Chan faced political novice Conservative Alex Yuan and the NDP's Janice Hagan. Chan won 49% of the vote to the Conservative's 35% in an election where the main issue was reducing traffic gridlock. Markham had been safe Conservative territory until 2003, when Liberal Tony Wong was elected. Markham's demographics are unusual - one-quarter of residents report Chinese as their mother tongue. Chan, Yuan, and the previous incumbent Wong all immigrated from Hong Kong.

¶5. (SBU) The Conservatives held onto their seat in Burlington, a Conservative stronghold since 1943. Conservative Joyce Savoline, former head of the Halton regional government beat a Liberal former City Councilor and an NDP political novice by a margin of 49% Conservative to 41% Liberal (a 3% larger margin than in 2003), and just 6% NDP. The main issue was improving services at the regional hospital.

¶6. (SBU) COMMENT: Pundits are spinning these by-election results as a preview of the October 10 provincial general election and, noting that the Liberals have lost 8 of 10 by-elections since they took office in 2003, predicting a tough season for the Liberals. We more cautiously note that cold weather helped ensure low voter turnout, and only one riding switched hands by a small margin. The NDP's win in York South-Weston is their third capture of a Liberal seat since **¶2003**. This will likely energize both opposition parties as they prepare for the October 10 general election. The Markham

by-election also demonstrates the importance of ethnic voting in the Greater Toronto Area in general and the growing political influence of the Chinese community in particular. The Green Party was not a factor in these by-elections, receiving only 5% of the vote in Markham, 3% in Burlington, and 1% in York South-Weston. END COMMENT.

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